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Risk Factors for Fraud in Elderly Americans

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RISK FACTORS FOR FRAUD IN ELDERLY AMERICANS

by

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ABSTRACT

Risk Factors for Fraud in Elderly Americans

Americans over age 65 comprise approximately one eighth of our population, but about one third of scam victims. The risk of fraud in this population is of particular concern because it is increasing and the damage is greater; losses have been reported in billions of dollars, and elders typically cannot return to the work force to recoup their losses, which can amount to their life savings and even their independence. This project details the results of an unobtrusive research project consisting of a content analysis of more current literature to identify and examine risk factors of elder fraud.

Keywords: elderly, elders, seniors, fraud, financial exploitation, theft, risk factors, vulnerability, victimization, criminology

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INTRODUCTION

The latest United States (U.S.) Census Bureau information indicates that over 40 million Americans, or 13% of us, are aged 65 and older (U.S. Census, 2010). Americans over age 65 comprise approximately one eighth of our population, but about one third of scam victims (Kirchheimer, 2011). Scams targeting elders are increasing. "Consumers above the age of 65 make up the biggest increase in complaints this year... baby boomers and older consumers made up a total of 54.01 percent of complaints to the [National Consumer League's] NCL's Fraud Center in 2010" (NCL, 2010). In 2008, 16,300 seniors aged 60-69 reported scam victimization to the Consumer Sentinel Fraud Network. In 2009 that number increased to 26,965 and in 2010, it was 31,201. The numbers for those 70 and over were similar, with 16,142 reports in 2008, 25,570 in 2009, and 34,289 in 2010 (Federal Trade Commission (FTC), 2011, p. 10).

Financial losses to fraud have been reported in the billions of dollars since the 1990s. Because the population of elderly Americans is increasing, and scams targeting them are also increasing, financial losses are probably increasing as well, but the losses are difficult to estimate because these crimes are often not reported to authorities for a variety of reasons. Further, many seniors and swindlers are using computers and the Internet, increasing the numbers of scams and potential victims because information about us is more easily accessible; criminals can and have acquired the information and adapted their tactics accordingly.

In Routine Activity Theory, "most criminal acts require convergence in space and time of likely offenders, suitable targets and the absence of capable guardians against crime" (Cohen &

Felson, 1979). Without capable guardians, routine activities such as maintaining a home or making purchases over the telephone, by mail, or via the Internet increases the likelihood of being exposed to scams. The risk of fraud involving elderly people is of particular concern because the damage to them is greater; because many are too old or ill, they typically cannot return to the work force to recoup their losses, which can amount to their life savings and even their independence.

Purpose and Rationale

The purpose of this individual research project was to qualitatively describe the growing problem of elder fraud and to identify risk factors or vulnerabilities of elderly Americans that may contribute toward victimization. Identifying these risk factors, and educating older consumers and their advocates about them, may ultimately prevent the loss of life savings and independent lifestyle.

Hypothesis

The hypothesis for this study was that there are aspects to elder fraud vulnerability aside from commonly-held assumptions such as age-related cognitive difficulties and loneliness. Vulnerabilities may be cultural, specific to their generation, and related to socio-economic status.

Research Questions

Stereotypes of elderly fraud victims may include that their cognitive or physical abilities have deteriorated, that they are less educated, and that they live in social isolation, which leaves them vulnerable to swindlers who would attempt to befriend them with the ultimate goal of taking their money (Smith, 1999, p. 1). While these qualities are sometimes accurate, "generally, ... the extent to which older persons are defrauded is directly proportional to the vulnerabilities that arise out of the circumstances in which they live" (Smith, 1999, p. 1). This study was directed toward discovering possible life circumstances that contribute toward risk factors for elder fraud. Exploratory research questions included, 1) Excluding age-related cognitive difficulties, what are some possible risk factors for elder fraud? 2) Are seniors disadvantaged in estimating fraudulent computer scams because they have had less exposure to computer and Internet culture? 3) Why are elders negligent in reporting fraud victimization? 4) Are seniors of different socio-economic statuses or different cultures at higher risk for fraud? 5) Do seniors have more to fear from caregivers and family members than from strangers with regard to financial exploitation and fraud?

Limitations/Delimitations

There was very little recent information about the topic from scholarly and government sources. For example, the most recent Bureau of Justice Statistics' information on crimes against elderly persons is from 2000, covers the years 1992-1997, and does not cover fraud, including telemarketing scams. Other applicable data were approximately 10 years old. Much of such data are useful in determining the extent of elder fraud, but more recent supplementary studies and reports from agencies such as the American Association of Retired Persons (AARP), the National Council on Aging (NCOA), the Federal Trade Commission (FTC), the media, trade journals, and law enforcement publications were considered. Further, elderly Americans are negligent in reporting fraud victimization; therefore, statistics pertaining to numbers of older victims may be artificially low.

Definitions

There is no universal definition of elder fraud, and while it is often also referred to as financial abuse or exploitation, there appears to be a difference between them. For the purposes of this study, elder fraud is defined as scams performed by strangers or non family members in whom the senior has some level of trust, to obtain their money through deception. Some of these crimes include non-existent lotteries, misrepresented products, charging for unneeded household repairs or those that were never performed, and "get rich quick" schemes. Financial exploitation is often committed by immediate family members, legal guardians, or caregivers, and involves "misus(ing) powers of attorney to steal money from bank accounts, obtain(ing) credit cards to make unauthorized purchases, and embezzle(ing) large sums of money by refinancing the elder's home" (MMI, 2009, p. 13). Many use the terms interchangeably, as they have some common characteristics because they could be committed by either a stranger or family member (i.e., identity theft and insurance fraud). The MMI study defines it as elder financial abuse, "encompassing a broad range of misconduct, including, but not limited to, fraud, scams, undue influence by family members and trusted others, and illegal viatical settlements; abuse of powers of attorney and guardianship; identity theft; Internet "phishing; and Medicare and Medicaid fraud" whether conducted by family members or trusted outsiders (MMI, 2009, p. 8). Because of the broader interpretations, for brevity, the decision was made to exclude financial exploitation crimes from this study to focus more upon other fraud types usually committed by strangers.

REVIEW OF LITERATURE

The following literature review is both theoretical and contextual; it adds to the existing body of knowledge by identifying issues and more current potential victim characteristics and risk factors regarding elder fraud. The articles are listed in alphabetical order by authors' last names with the date of publication in parentheses.

Acierno, Hernandez, Armstadter, Resnick, Steve, Muzzy, and Kilpatrick (2010)

The authors performed a national study of elder mistreatment, including emotional, physical, sexual, and financial mistreatment and neglect, in people aged 60 and over to gauge the prevalence of such abuse. The study consisted of a telephone survey of a randomized sample of participants (n=5,777). For the purposes of this literature review, only financial fraud information was examined. The results were that, over a one-year period, 5.2% of the respondents reported financial exploitation by a caregiver. Specifically, they noted those not using available social service agencies, being socially reclusive, and those requiring assistance with routine living were at increased risk for abuse. They also noted that financial exploitation by relatives was a prominent form of fraud, and that a limitation of their study was that the lack of victim cognitive aspects as risk factors. The information on financial exploitation risk factors will likely be incorporated into this project.

Brank (2007)

The focus of Brank's article was the aging process and how it affected seniors in the fields of law and psychology. She began by stating that scholars have neglected studying seniors in these areas, and that only a few have truly addressed their issues. She cited some characteristics of older people and how they eventually change from youth; these changes can affect how seniors participate in legal processes such as being eyewitnesses to crimes, serving as jurors, participating in legal cases, the process of assessing mental competency, and having caregiver issues. Brank discussed elderly people being at even greater risk than are children because of financial abuse and caregiver stress, and the article could include valuable risk factor information about financial abuse that may be incorporated into the proposed study.

Bruce (2008)

Bruce is an assistant attorney general in the Rochester, New York office of State Attorney Cuomo. The article began with an illustration of elder fraud and the notation that there are three main scams that target the elderly: telemarketing, charities, and home improvement. Telemarketing scams were further broken down into the categories of sweepstakes and prizes, investment opportunities, insurance, health, travel, and confidence games. He noted that seniors are less likely to hang up on a caller because of loneliness, boredom, trusting nature, and politeness, and he gave specific pieces of advice to combat each category, all of which was helpful information for fraud identification and prevention that will be included in this effort.

Carlson (2006)

Carlson noted that computers and the Internet are becoming more popular with elderly citizens; consequently, they are also becoming victims of fraud through the Internet because they have less knowledge about computers and often do not know whom to approach for advice. This article answered the question about whether seniors are more vulnerable to computer crime. The article was split into four parts; the first was the introduction, part two gave a background by way of demographics on elderly in the country and on the Internet and why they are vulnerable to fraud. Part three discussed the prevalence of Internet fraud and which ones specifically target seniors, and the last part dealt with prevention by way of education, particularly regarding seniors. Among some statistics were that there are 35,000,000 Americans 65 and older, comprising 12.4% of the whole population. That is a ten-fold increase in that age bracket since 1900, and was also the largest growth rate category. He also stated that, by 2011, the eldest section of "baby boomers" will begin to turn 65, and that bracket was expected to double to 70,000,000 by 2030 due to increased life expectancies (Carlson, 2006, p. 2). He cited a Pew study that showed that between 59% and 64% of elders were connected to the Internet by 2003, and it was expected to be more now in 2011. Almost half of them were on-line daily to obtain information, communicate with family and friends, for entertainment purposes such as to play games, and to purchase goods. He also noted that elderly people have always been primary targets for fraudsters, and cited studies that indicated that 5 million elders are victims of fraud every year. He cited a Federal Bureau of Investigation report that identified five risk factors for elder fraud, all of which will be noted in the proposed study.

He also pointed out that the Internet Crime Complaint Center has received many more complaints in the last few years, and cited the National Internet Fraud Watch Information Center, which reported that on average, a computer fraud victim lost about $2,579 (Carlson, 2006, p 4). Phishing and identity theft appeared to be especially effective in victimizing seniors. Another risk factor Carlson identified was reliance upon caregivers who take advantage of identity theft opportunities to open bank accounts and cash checks in their names. An additional crime to which seniors may be more vulnerable is online auction fraud. Carlson concluded by urging legislation and senior education to curb fraud. Some of the information will be included in this project's section on Internet fraud.

Catalano & Lazaro (2008)

The authors cited statistics that indicated approximately how many "baby boomers" lived in the U.S. how many trillions of dollars they control in assets, illustrating huge potential losses for older people. The article summarized legislative actions taken to date on the federal and state levels to protect elders from financial scams. They directed research toward an Investor Fraud Study done by the Securities and Exchange Commission (SEC), a copy of which was acquired, as it appeared to contain valuable information pertinent to this proposal. The SEC and North American Securities Administrators Association (NASAA) examined "free lunch seminars" that target and appeal to seniors, especially those who gave seminars under the guise of being certified professionals when in fact they may not have been properly trained or certified, and persuasive tactics to get seniors to invest with them. They also explained how the SEC took 40 actions between 2005 and 2007 against individuals and organizations that were targeting seniors in crimes such as Ponzi schemes. In 2008, in an example of affinity fraud, the SEC also brought charges against an Orthodox Jewish broker for targeting members of his synagogue.

The authors also discussed state protections passed regarding financial planning certification rules and legal statutes, and legally defined terms such as "vulnerable adult," "exploitation," and "position of trust and confidence" (Catalano & Lazaro, 2008, p. 12-14). They concluded by stating that consistent protection is required between states and federal entities to ensure equal protection of baby boomers. The types of schemes given in this article may be incorporated as possible opportunities for criminals to victimize seniors and how much, in dollars lost, may be at stake.

Conrad, Iris, Ridings, Langley, & Wilbur (2006)

Citing a lack of information on the topic, the authors designed and conducted a self-report study to provide a more accurate measure of financial exploitation in older adults. Their definition of financial exploitation matches those of others' when describing fraud, although they did not differentiate between financial crime committed by relatives or non-relatives. They listed possible risk factors and identified several conceptual models. Their study required the recruitment of 22 employees from 7 Adult Protective Services (APS) agencies in the Chicago, Illinois area to conduct interviews of 227 APS clients. The questionnaires contained 82 items and focused on six dimensions: "theft and scams; financial victimization; financial entitlement; coercion; signs of possible financial exploitation; and money management difficulties" (Conrad, et al., 2006, p. 760). Limitations were that the study was confined to the Chicago area, but the results showed that 72% of the respondents had indicated experiencing some level of financial exploitation (FE). They concluded that the study should provide information to enable better assessments in the future. Some of the survey participants' demographics and characteristics, including race, may be useful in identifying risk factors and answering some questions regarding culture and gender.

Curtis (2006)

Curtis's article focused on elder fraud in Denver, Colorado. Among the statistics noted were that elders lose millions of dollars annually because of being exploited financially and from fraud schemes. Seniors lost over $20 million in just two cases filed by the Denver District Attorney's Office. In one case, an investment advisor bilked elderly clients out of $17 million, and in another, a probate attorney scammed seniors and the estates of deceased persons of over $3.5 million. These victims experienced extreme emotional trauma and financial losses that can force them into bankruptcy; it is unlikely that they will ever recover financially since many cannot return to work, and while those who scammed them are often punished by going to prison, they rarely repay the victims in restitution. In the meantime, elderly victims are left with few resources and a complete lifestyle change. Examples given illustrate how elder fraud can be especially devastating.

Curtis stated that elders are more vulnerable to fraud than others, and identified five risk factors for elder victimization and explained that scam artists target the elderly because of these five risk factors. She also noted that it will likely become worse in the coming years. Further, she cited the Denver District Attorney's office that reported that perhaps 80% of fraud crimes are not reported to authorities because the seniors believed they were at fault, they were embarrassed, they had some type of dependence on the abuser, they were afraid of being separated from home and family if they reported it, they feared the criminal justice system, and they were ignorant of their rights and options available (Curtis, 2006). As a result, the Denver District Attorney's office broadened its elder fraud prevention program by calling upon the faith community for assistance and outreach. The risk factors identified will be included in the proposed research, and the question of why seniors do not report fraud crimes is answered in this article.

Federal Trade Commission (2011)

The FTC published the *Consumer Sentinel Network Data Book for January–December 2010* in March, 2011. It is a collection of specific fraud statistics from many agencies such as Better Business Bureaus, the Internet Crime Complaint Center, State Attorneys General, and the National Consumers League. It will be a valuable resource in this research endeavor because of the detailed, up-to-date statistics it provides.

Gray (2009)

Gray was the author of a document entitled *Money for nothing and checks for free: fraud against the elderly in North Carolina*, which was published as an issue of *North Carolina Insight*, from the North Carolina Center for Public Policy Research. She defined elder fraud and financial exploitation, gave insight into the pervasiveness of the problem, profiled the fraudsters and their scams and the victims, and provided some trend information. She also explained how North Carolina was combating the problem through legislation.

Specifically, she cited Federal Trade Commission (FTC) research that showed that seniors aged 70 and older were more apt to fall victim to sweepstakes and prize fraud. She also noted that Internet fraud crimes such as phishing and malicious e-mails track computer usage that fraudsters use in identity theft and other schemes, even the practice of some fraudsters to scan the obituary sections of newspapers for vulnerable targets. Case studies were given to illu-strate the points. Gray also provided a list of indicators that a senior may have fallen victim to telemarketing scams. She also identified possible lifestyle characteristics from a joint study by the AARP and the National Association of Security Dealers Investor Educator Foundation that showed unique psychological aspects of victims of lottery and investment scams, which were possible risk factors. In discussing prevention and education, Gray mentioned victim characteristics and the roles and responsibilities of agencies such as businesses, Adult Protective Services, banks, and the North Carolina Attorney General's Office. The article provided inter-esting demographic information and prevention efforts, and answered the question about whether socioeconomic status affects vulnerability, all of which will be used in the proposed research project.

Holtfreter, Reising, Leeper Piquero & Piquero (2010)

The authors introduced the idea that low self control contributes to both fraud offending and victimization, and may therefore be a risk factor. The authors explored this overlap using

Gottfredson and Hirschi's self-control theory (1990) and conducted a survey of college students to verify the overlap. While the participants were young adults, the information may hold true for elderly people, as well. They measured fraud victimization exposure by creating a telemarketing scam scenario and recording degrees of their responses. The results confirmed the hypothesis that low self control contributed toward fraud victimization, but further studies are needed to verify whether the self-control factor is present in the general population. They also noted that the low-self control trait remains stable over time and that prevention tactics may be ineffective, which may also apply to the elderly population. The findings on fraud should illustrate risk factors and victim characteristics that may correlate to elder fraud and may be used in the proposed research project.

Holtfreter, Reisig, & Pratt (2008)

The authors examined links between victimization and self control and routine activity theories. They conducted a study to determine whether routine purchasing of items make people more vulnerable to fraud, and whether levels of self control affect vulnerability. They analyzed the results from a Florida telephone survey of 1,000 adults conducted in 2004 and 2005, and noted that their study supported the low self control and routine activity theories and refute the common idea that victims are chosen randomly. However, while they agreed that low self control puts people at risk for fraud because they tend to be impulsive, they typically were not targeted for fraud because their levels of low self control cannot be easily observed by fraudsters on the street. Yet, routine activities that may give clues to someone having low self control *are* observable by fraudsters who attempt to access victims remotely, such as over the Internet or by telephone. The article may be used for discussions of routine activity and self control theories.

Johnson, 2004

The Financial Crimes Against the Elderly guide is one in a series that address specific crimes and situations published by Center for Problem-Oriented Policing and the U.S. Department of Justice. The author noted that there are two general types of financial crimes: fraud that is initiated by persons unknown to the victim, and financial exploitation by family members, guardians, and/or caregivers.

Fraud typically occurs in the forms of prizes and sweepstakes, investments, charities, home and car repairs, loans and mortgages, insurance, health, travel, and "confidence games" that do not involve a service or product, but other ways to obtain money by portraying persons or organizations of trust and then vanishing (Johnson, 2004, p. 4). The author also noted that the three main ways that these fraud crimes are committed include telemarketing, mail, and personal contact (face-to-face), but also lists identity theft and Internet fraud. All employ methods that appeal to elderly people to gain their trust, such as using the name of reputable businesses or organizations or similar-sounding names, stating concern for them, indicating that they have special status such as being "lucky" or "chosen" to receive a rare and often "secret" offer, and pressuring them into making hasty decisions to prohibit necessary research, asking others for help with their decisions, or exposing the criminal by disclosing the "secret."

Exploitation by caregivers, family members, or guardians included coercing, intimidating, or lying to the elderly person to steal property, selling or donating property or cash to others without permission, receiving loans without repaying them, denying medical care or services to save money, using or misusing credit cards, cashing checks written to the elder and pocketing the money, and otherwise forcing seniors to relinquish property or resources. Often, offenders keep the senior away from other family members, friends, or outsiders to prevent questions about their relationship and the elderly person's well being from being asked, and also to keep the elderly person from asking others for advice in making decisions. They may even tell the elder that the offender is the only person who truly cares about them (Johnson, 2004, p. 6). They will get their names added onto joint bank accounts, transfer titles or deeds into their names, obtain powers of attorney, and coerce the elder into putting the offender's name on a will or trust. All of these crimes can co-occur with others such as identity theft, prescription drug fraud, and physical and emotional abuse and neglect.

Johnson noted that while there is no clear or consistent definition of what ages are considered "elderly," fraud is very prevalent in that age group. They cited a 2000 U.S. Senate Special Committee on Aging report that indicated that approximately $40 billion is lost to telemarketing fraud and that about 10% of the country's 14,000 telemarketing companies were fraudulent; yet, only 1 in 10,000 fraud crimes were reported to law enforcement (Johnson, 2004, p. 9). Several reasons why elders do not report fraud crimes were given, including shame; fear that others will judge that they can no longer care for themselves or live independently, which could lead to placement in a care facility; ignorance of the services and assistance available to them; a desire to protect the offender from punishment, especially if he or she is a relative; and self-blame. In addition, those who are in a position to notice or observe potential abuse procrastinate reporting because protocols are lacking. Further, elderly people may file reports that are difficult to assess or investigate because they often cannot remember details. They may also feel overwhelmed by traveling to judicial buildings and interacting with authorities.

Stereotypes of elderly fraud victims were given, but while cognitive impairment may play a role in the inability to detect fraud, the stereotypes appeared to be incorrect. An AARP survey was cited that pointed out that 1) victims found fraudulent sales pitches to be very believable, that the odds of winning a prize were very good, and that fees related to the prizes were very reasonably priced; 2) most survey respondents had difficulty discerning the difference between fraudulent and legitimate sales pitches in spite of warnings regarding telemarketing fraud, and 3) most found ending a conversation with a telemarketer to be very difficult even when they suspected the caller to be a swindler.

Johnson also agreed that while age was a factor, it was not a consistent one for fraud. A list of risk factors and indicators was presented, as were the differences between fraud and financial exploitation, and aspects of victim facilitation and revictimization. Offender characteristics and methods were also provided, as was a list of organizational responses to the problem. The article should be a valuable reference for the proposed study.

Lee & Soberon-Ferrer (1997)

This article was consulted as seminal research. The authors used the AARP's 1993 Survey of Older Consumer Behavior, which conducted telephone surveys of 957 adults aged 18 and older. Results showed that older people were more at risk of fraud than were younger people. Further, females older than 65 were more at risk than were older males, but females aged 64 and younger were somewhat less vulnerable than similarly aged males, introducing a confounding variable. Overall, "older, less educated, and widowed, divorced, or single consumers were found to be the most vulnerable to unfair business practices," but neither gender nor race appeared to be risk factors (Lee & Soberon-Ferrer, 1997, p. 86). They recommended education programs and social support networks as being instrumental in preventing fraud. Since the study is older, it was used to show how perceptions of older people and risk factors have changed in the last 14 years, particularly with regard to race and gender.

Pak and Shadel (2011)

This American Association of Retired Persons (AARP) study examined fraud victims aged 50 and over, and profiled the victim based upon each crime. Fraud crimes identified included prescription drugs, identity theft, investment fraud, lotteries, advance fee loans, and business opportunities. It was unique from previous years' studies with the addition of psychological and behavioral characteristics for each crime (Pak & Shadel, 2011, p. 26). However, it was similar to other fraud studies because it also suggested that elders are less likely to acknowledge being victims of fraud and also less likely to report it to authorities. The study also re-verified some victim characteristics cited in other studies, and identified several distinct risk factors such as "interest in persuasion statements, exposing yourself to a variety of sales situations, ... not taking prevention measures, not giving yourself a period of time before deciding to buy, and not checking references that might predict certain types of victimization in the future" (Pak & Shadel, 2011, p. 31). This study provided valuable information on different types of fraud in the forms of investments, business opportunities, lotteries, health and medical, and loans. It also answered the question of why elders are negligent in reporting fraud.

Payne & Berg (2003)

The authors gave a brief history of the evolution of elder crime, from its original categorization as a "social problem" to a punishable crime. They cited statistics that showed that in the early 20th century, elderly people aged 65 and over comprised about 4% of the American population. As of the article's writing, it had increased to almost 13%, and according to a U.S. Treasury report, was forecasted to reach 25% by 2025. They also noted that interest in elder crime did not increase with the population until the 1970s, when entertainment media projected the plight of elderly victims. Examination in the 1980s and 1990s brought insight that compared it to child abuse, then to intimate partner and/or caregiver abuse, resulting in criminalization. They also noted that criminologists have largely neglected elder abuse.

After explaining General Systems Theory and how it related to elder abuse policy, they noted that the different assistance organizations linked to elder abuse have separate subcultures within themselves that contribute to problems responding to elder abuse, and that these organizations have to work together to solve the problems. They discussed policy, legislation, and criminalization. They also described the responsibilities of a nursing home ombudsman and noted that abuse complaints increased due to their reporting the crimes, suggesting perhaps that one risk factor for elder crime is residing in a nursing facility. They also noted the lack of research in organizations' response to elder abuse, and in particular noted that "virtually no research has considered whether these groups [law enforcement, ombudsmen, and criminal justice officials] support the criminalization of elder abuse and see it as an important problem" (Payne & Berg, 2003, p. 446).

To determine the perceptions of these groups, the authors conducted a survey of 400 randomly-selected police chiefs in California, Colorado, Alabama, and New York, 100 from each state, with a response rate of 31%. They also sent the survey to 203 ombudsmen in 26 states with a response rate of 51%. The survey recorded responses given to hypothetical scenarios and compared Likert scale responses to questions about elder crime in the lives of elderly people. Most of the respondents were white, 70% were college educated, and the average age was 50. Over 90% of the police chiefs were males, and nearly 85% of the ombudsmen were females.

Results were recorded using *t* tests in four crime categories: patient theft, neglect, furnace repair fraud, and robbery. The author will focus upon patient theft and furnace repair fraud results for the proposed study. Police chiefs responded that theft from nursing home and hospital patients warranted incarceration, fines, and community service in greater numbers than did ombudsmen, who preferred administrative reprimand in addition to the fines and community service. Both groups agreed that a fine and community service were appropriate responses to furnace repair fraud, but disagreed on the aspect of reprimand: ombudsmen ranked it higher than did police chiefs, who responded that probation was a better alternative. Both groups differed again regarding robbery; police chiefs felt incarceration was warranted, followed by a fine and community service, then a reprimand. Ombudsmen ranked a fine and community service as most appropriate, followed by probation, incarceration, and then reprimand. Further, police chiefs rated robbery the most severe crime, followed by patient abuse, patient theft, white-collar crime, occupational crime, and patient neglect. Ombudsmen rated patient abuse as the most severe crime, followed by patient theft, robbery, white-collar crime, and patient neglect. Both groups agreed that abuse crimes should be more concerning and that abusers should be punished severely.

Policy implications included training law enforcement on dealing with elderly crime victims. One particularly interesting guideline from the Police Executive Research Foundation of 1993 was that a representative from adult protective services should be invited to the interview because "elderly persons will trust protective service officials more than the police," which may point to a cultural risk factor (Payne & Berg, 2003, p. 454). Among the concluding remarks were that more studies were needed so that the relationship between elder abuse and criminal justice responses can be better understood. In addition, "Better understanding is needed to explain why both groups in this study saw fraud as less severe than other types of abuse despite the fact that fraud is the most prevalent abuse type" (Payne & Berg, 2003, p. 456). The victim reactions to assistance agencies may be used to describe a victim characteristic, and the historical information provided, particularly how elder crime evolved from a social problem to a prosecutable crime, may be used to illustrate the changing attitude toward elder crime in the judicial system.

Price, King, Dillard & Bulot (2011)

The authors gave a history, definitions, and prevalence of elder financial exploitation. They provided case examples and discussed whether it is a violent or non-violent crime. They also discussed the possibility that financial exploitation may be a precursor or indicator of physical abuse, and therefore a cue to physical abuse intervention. The information in this article may be used to give historical information and illustrate specific fraud crimes, and the perspective of exploitation being an indicator of physical abuse placed exploitation itself as a risk factor.

Ramnarace (2009)

The article began with a case description of an 86 year-old California woman who answered a mail advertisement for a reverse mortgage on her home. It eventually resulted in her applying for a $140,000 home equity loan that a criminal pocketed while telling her that he was investing it for her. The criminal faced up to only eight years and restitution, but the woman was saddled with a reverse mortgage, repayment of the home equity loan, and a large financial loss with little chance of recovery in a depressed economy. Elder abuse is occurring more frequently because of economic factors, indicating that the state of the U.S. economy may be a possible risk factor for elder fraud (Ramnarace, 2009). She included interesting statistics, such as that Florida, which has a high number of people aged 65 and over, reported an increase of elder abuse by 13% over the last two years, and that financial abuse results in $2.6 billion in losses every year. She noted that older people tend to be more trusting because, in past difficult times, they had to rely upon each other. She also noted that about half of them have cognitive problems. This article introduced an economic risk factor, and punctuated the fact that elderly fraud victims can rarely recoup their losses.

Schoepfer & Leeper Piquero (2009)

The authors attempted to establish whether victim characteristics are correlated to the frequency of reporting crimes to authorities. They provided a background of victim experiences, characteristics, and reporting behavior. Using data from the 1999 National Public Survey on White-Collar Crime, which was a nationally-representative sample, and regression analyses, they found that age and risky behaviors were predictors of certain types of fraud, but not in schemes that were expected, such as automobile repair and financial planning fraud; that is, the results were not statistically significant in those areas, perhaps because "professionals" were involved, indicating a trust issue. Information gleaned about predicting fraud reporting was much less than expected, but they found the only statistically significant characteristic regarding reporting victimization was the victim's education level, not necessarily their age. Neither gender nor risky behaviors were statistically significant as predictors. Another proposed idea was that the interaction between the victim and the swindler was a stronger indicator than the victim's characteristics. This article may be included in this project because it answered the question of why seniors are negligent in reporting being victims of fraud, particularly that their situations were not valued appropriately by those in the judicial system or assistance agencies. Further, realizing that they will likely never recoup their losses via restitution, they preferred not to waste time and energy pursuing it. In addition, many did not know how to go about the reporting process, were humiliated by the prospect of reporting their losses to anyone, they did not realize that what occurred was a crime, and expressed dissatisfaction with law enforcements' handling of the case, if any action was taken. All such information may be used to illustrate victim experiences and risk factors.

Titus & Gover (2001)

This article appeared in a Problem-Oriented Policing Center series. They discussed different types of white collar crimes, repeat victimization by personal fraud, victim characteristics, the types of fraud committed, and prevention. They noted that victims unconsciously play roles in cooperating with an offender and gave examples of each. They listed possible character traits such as carelessness, being uninformed, being easily flattered or intimidated, and possessing risk-taking tendencies. Social values that were also considered to be risks included being a "good citizen, compassion and generosity, respect for authority, and an unsuspicious nature" (Titus & Gover, 2001, p 138).

The authors further listed "behaviors and life events" that may increase risk of victimization, such as having been a previous victim of fraud; committing to "free offers" and "prizes;" participating in sweepstakes and contests; receiving a large number of junk mail and catalogs; affiliation in an organization; making purchases over the telephone or Internet; major life events; retiring; relocating; buying a home, car, or major appliance; having health problems; interest in investments; purchasing insurance; making charitable contributions; and requesting information in response to advertisements (Titus & Gover, 2001, p. 138-139). The authors noted that while these risk factors have been historically observed, information about us can be more easily used and applied toward advertising or fraud. They introduced the idea of "risk heterogeneity," or "personality characteristics combined with demographics and life events [that] affect the likelihood that one will engage in certain actions... these actions may increase the likelihood of fraudulent solicitation" (Titus & Gover, 2001, p. 139).

The authors summarized previous studies and uncovered evidence that seems to show that being a previous victim of fraud is a risk factor for being re-victimized. They then discussed a study done by Titus in 1995 about the different types of frauds committed, their success rates, and losses in dollars. The top successful fraudulent activities appeared to be training courses, membership fees, appliance and automobile repair, magazine subscriptions, and home repairs. They concluded with a discussion about prevention. This article may be an excellent source of information, though outdated.

U.S. Securities and Exchange Commission (2006)

This website explained the idea of affinity fraud and listed several recent cases. Some of these included a Ponzi scheme that targeted senior Jehovah's Witnesses congregants; an investment scheme that targeted Korean-Americans; another investment scheme that targeted members of an Armenian-American community who spoke little English and who lost over $19 million; and a minister who bilked elderly African-American Baptists out of over $3.5 million. This article illustrates that risk factors may also include religion, ethnicity, and not fluently speaking English. This article focused on affinity fraud, which should be a unique risk factor related to culture.

METHODS

The hypothesis was that there are aspects to elder fraud vulnerability aside from commonly-held assumptions such as age-related cognitive difficulties and loneliness. The most appropriate way to study this without conducting an exhaustive survey was to conduct unobtrusive research, which is "a method of studying social behavior without affecting it" (Babbie, 2010, p. 332).

Research Methodology and Design

This research project took a humanistic approach to describe phenomenological data about elderly Americans and fraud, and to identify risk factors or behavior patterns that may increase their exposure and vulnerability to it. Of the three possible ways to conduct unobtrusive research, the best method was to conduct a content analysis of the topic, wherein "researchers examine a class of social artifacts that usually are written documents" then use a "negative case testing technique" to locate data that refuted any stereotypes (Babbie, 2010, p. 340, 332).

Procedures

A search was conducted of written material acquired through Regis University's library and Google Scholar. Keywords included elderly, elders, seniors, fraud, financial exploitation, theft, risk factors, vulnerability, victimization, and criminology. The terms "elderly" and "senior" represent older people aged approximately 65 and older. Data were gleaned from scholarly articles; business, organizational, and government publications; and news media dated 2006 and more recently. Older studies were examined as appropriate to describe seminal research findings.

RESULTS

Americans over age 65 comprise approximately one eighth of our population, but about one third of scam victims (Kirchheimer, 2011). The National Association of Triads (NATI) reported that "seniors are defrauded at twice the rate of the rest of the population" (NATI, n.d.). It can be assumed that seniors are disproportionately represented in numbers of fraud victims.

Since several scams were identified to target seniors without providing specific risk factors other than age, it may be assumed that age itself is a risk factor until evidence is identified that suggests otherwise. For example, over 50% of telemarketing scam victims were aged 50 or older, but no other risk factors were noted perhaps other than answering the telephone (MMI, 2009, p. 16). According to the United States Postal Inspection Service (USPIS), "people 60 and over account for 26 percent of all telemarketing fraud victims [but] 60 percent of people in that age group are victims of prize or sweepstakes fraud" (USPIS, n.d.).

Many have developed elder stereotypes to explain the fraud victimization phenomenon. Some may include that they have cognitive difficulties and physical ailments, are less well educated, and are socially isolated and lonely, making them vulnerable to scams. Sometimes this is true, but some of the research countered these stereotypes. "Recent research has refuted prevailing stereotypes, characterizing the majority of potential victims as more educated, informed, and socially active than previously supposed" (Johnson, 2002, p. 11). Susan Grant, of the Consumer Federation of America, said that while social isolation was often a characteristic of fraud victims, it is not always true; risk factors vary with each scam (Gray, 2009, p. 16-17). Further, "physical decline does not necessarily correspond to significant mental decline and there is no evidence that advanced years or physical disability alone render a person incapable of making decisions" (Bonnie & Wallace, 2002, p. 406). In addition, elderly people are better educated now than in the past. In 1965, only 24% of older people had attained a high school diploma, and only 5% had attained a bachelor's degree or higher. In 2008, however, 77% had graduated from high school, and 21% had achieved a bachelor's degree or higher (Older Americans 2010, 2011, p. xiv). The studies showed that risk factors had less to do with commonly-held beliefs about older people and actually varied depending upon the scam, by design. The NASD study noted that "investment fraud criminals use a wide array of different influence tactics to defraud the victim," and "fraud pitches are tailored to match the psychological needs of the victim" (NASD, 2006, p. 6). Aside from age, cognitive dysfunction, and social isolation, the studies found other vulnerabilities for fraud related to the economy, gender, social demographics, upbringing, risk philosophies, psychology, generational factors, and certain behaviors.

Ramnarace suggested that the current state of the American economy has placed some elderly people in a state of desperation, "which causes them to be very vulnerable to predators. When victims have been beaten up by their circumstance, they're willing to accept help in whatever form" (Ramnarace, 2009). The NATI report noted that the elderly are usually at home to answer telemarketing calls and receiving door-to-door salespersons; if they are socially isolated, they do not have capable guardians available at the time of approach; they may be lonely; they are likely to have health issues that hinder proper home maintenance; and they have money in the forms of property and savings (NATI, n.d.). According to Lee and Soberon-Ferrer, "social isolation makes individuals feel less connected to friends and sources of information or support and therefore more responsive to sellers, who help isolated individuals feel better by paying attention to them" (Lee & Soberon-Ferrer, 1997, p. 72).

Since females generally outlive males, females with cognitive difficulties are more common and therefore a larger population for swindlers to target. People aged 85 and older are the fastest growing portion of America's elderly and are more likely to exhibit cognitive difficulties: "the prevalence of dementia in those 75 and older is 16%, and for those 80 and older, it is 30%" (MMI, 2009, p. 16). However, "while research has established a causal link between aging and cognitive impairment, older consumers as a whole cannot be assumed to be cognitively inferior" (Lee & Soberon-Ferrer, 1997, p. 72). Further, more current research has found that elderly people are often more adept at detecting lies than their younger counterparts (Kirchheimer, 2011).

Quite the opposite of social isolation is the risk factor of belonging to certain groups or organizations. Affinity frauds are "investment scams that prey upon members of identifiable groups, such as religious or ethnic communities, the elderly, or professional groups" by members of those groups, or those who portray themselves as such (SEC, 2006). They gain their trust, and then try to express legitimacy by getting unsuspecting community and religious leaders to endorse the scams. Unfortunately, victims tend to believe that "one of their own" would never scam them, and when fraud occurs, they tend not to report it to authorities or take legal action, preferring instead to "work things out within the group" (SEC, 2006). Therefore, in contrast to being socially isolated, belonging to groups and organizations may also be considered a risk factor for fraud.

Both genders were at risk for fraud, but again, susceptibility varied with the specific fraud. For example, in general, financially literate males were the most frequent victims of investment fraud, while females who wanted better things in life tended to be lottery fraud victims (NASD, 2006, p. 6). Females were also the most frequent victims of financial exploitation, likely because they tend to outlive males, and the ratio of females to males increases over time (MMI, 2009, p. 9). According to the MMI study, widows whose spouses were the primary household manager in terms of finances and home repairs are particularly vulnerable. The lack of knowledge in such matters places them in the precarious position of having to trust someone who appears to be knowledgeable. Older males are the most frequent victims of "sweetheart scams," wherein a lonely or perhaps cognitively compromised widower is approached by a younger female who becomes his friend. Often the man purchases gifts for her or assists her in paying debts. Eventually, he places complete trust in the friend, who usually begins to make important decisions on his behalf (and ultimately to her benefit), and accomplishes this by obtaining legal power of attorney status or sole surviving benefactor (MMI, p. 10-11). Note that this particular scam could also fall under financial exploitation.

Some of the risk factors appear to lie in social demographics. Americans over age 50 "control at least 70% of the net worth of the nation's households" (MMI, 2009, p. 16). "In 2007, baby boomers controlled over $13 trillion in household investible assets, representing over 50% of total U.S. household investible assets" (Catalano & Lazaro, 2008, p. 1). Many elders own their homes and possess some life savings or a "nest egg." Conversely, many elders also live on fixed incomes, retirement pensions, and perhaps life insurance proceeds. The MMI study cited a National Elder Abuse Incidence Study that reported that 46% of elderly financial abuse victims reported between $5,000 and $9,999 in household income, and 30% reported between $10,000 and $14,999 in household income (MMI, 2009, p. 16). "They worry that they will outlive their money and be forced to rely on their children for financial support" (MMI, 2009, p. 16).

Some risk factors appear to be generational, psychological, and having the social values of being a "good citizen, [and possessing] compassion and generosity, respect for authority, and an unsuspicious nature," or being trusting (Titus & Gover, 2001, p 138). The AARP study illustrated the characteristics of being psychologically vulnerable to "persuasion tactic statements," which are used by swindlers because they are often effective (Pak & Shadel, 2011, p. 6). During Subcommittee testimony to the U.S. House of Representatives, convicted fraudsters testified that seniors were targeted because of declining cognitive abilities such as memory, but also generational factors such as having been raised during the Great Depression, "to work on the greed and insecurity caused by those times" (Gray, 2009, p. 12). Kirchheimer (2011) also wrote that seniors are often overly trusting. Federal Bureau of Investigation (FBI) data confirm this as a risk factor: "people who were raised in the 1930s, 1940s, and 1950s were generally raised to be polite and trusting," making it difficult to simply sever the telephone connection or close the door in someone's face, or easy to trust a friendly stranger (FBI, n.d.). Gray agreed; her article discussed three main risk factors:

> First, the elderly are the most financially well-off population group, and their assets tend to convert easily to cash. Second, as retirees, older individuals are more likely to be at home to respond to telephone calls or door-to-door scams. Third, according to the American Prosecutors Research Institute [with regard to telemarketing], 'most older Americans are just too polite to hang up' (Gray, 2009, p. 4).

Bruce suggested that elderly people are good targets for telemarketing scammers because "they are often more willing to continue a conversation; they may live alone, have free time to talk, may be less likely to hang up the phone because they see that as rude, may have memory impairment, or may be more trusting" (Bruce, 2008). Risk factors therefore include simply being trusting, at home, using the telephone, or otherwise being exposed to swindlers' tactics, and being raised to be too polite to end a conversation before hearing the end of high pressure sales spiels.

Risky behaviors and characteristics included purchasing items over the telephone or Internet; donating to charitable causes; owning a home needing maintenance; having a disability; having a gambling addiction; fearing dependency on someone else or being moved into an assisted living facility or nursing home; being socially isolated; being members in organizations that share information such as mailing lists (Gray, 2009, p. 32), registering for free offers or prizes, entering contests and sweepstakes, being on junk mail lists and reading such mail, registering with Internet sites or groups, and purchasing insurance and large ticket items (Titus & Gover, 2001, p. 138-139), calling 1-800 telephone numbers for free information, entering drawings, listening to telemarketing spiels, and attending "free lunch seminars" on financial planning and investing. Interestingly, fraud victims tended to avoid Internet auction sites (Pak & Shadel, 2011, p. 12; NASD, 2006, p. 5-7). Note that many of these are routine activities and common life events in which the presence of a capable guardian could offer deterrence.

Common life events such as having a major medical situation, retirement, moving, or experiencing family milestones such as a birth, marriage, death, engagement, or graduation, can increase the odds that someone will be contacted for a fraudulent activity, perhaps due to related stress (Titus & Gover, 2001, p. 138). There also appear to be some philosophical elements regarding how the elderly think about being swindled. According to an excerpt from *Fraud, Vulnerability, and Aging: Case Studies*, by Virginia H. Templeton and David N. Kirkman, "victims worry about their adult children's reactions to the transactions and seem primed to believe that warnings about their victimizers from children or law enforcement are motivated by the latter's greed or officiousness" rather than a genuine interest in keeping them safe from fraud (Gray, 2009, p. 26). Older people's perceptions of risk differed; they were more willing to risk losing their money over time than their younger counterparts (Pak & Shadel, 2011, p. 5).

There are too many senior-targeting scams to list in this project. Those reported by the National Consumer League (NCL) to be particularly problematic included "fake checks" related to "mystery shopping" and sweepstakes, wherein seniors were asked to cash the check and wire back some of the proceeds to fraudsters; Internet purchases; prizes, sweepstakes, and free gifts; Internet phishing and spoofing; advance fee loans and credit arranging; timeshare re-sales; Nigerian money offers; Internet auctions; "friendship and sweetheart" scams; and scholarships and grants (NCL, 2010). The AARP's latest publication focused on investments, business opportunities, lotteries, prescription drugs, and non-existent identity theft protection and advance free loans. The FBI's fraud website lists top the categories of frauds targeting seniors as health care and insurance, counterfeit prescription drugs, funeral and cemetery insurance or offerings, "anti-aging" products, telemarketing, Internet, investments, and reverse mortgages (FBI, 2010). Schoepfer & Piquero's study found that older people tended to be victimized in "free prize," credit or bank account, overbilling for products, and "long distance PIN" frauds (Schoepfer & Piquero, 2009, p. 213).

Investment schemes are attractive to both victims and fraudsters because of high rates of return promised to victims, and the potential for large amounts of money accessible by the scammers. The AARP study listed risk factors as being an older male, having some college education, earning $50,000 or more per year, expressing interest in persuasive statements, a tendency to respond to sales tactics, and willing to risk more money in such ventures and being less upset at the prospect of losing it (Pak & Shadel, 2011, p. 3-4). The NASD study noted surprise findings that "investment fraud victims score higher on financial literacy tests than non-victims" (NASD, 2006, p. 5). They also noted that most of the investment fraud victims were males who lived with someone likely to be their spouse, were more highly educated, and had more household income, and had experienced no negative life experiences, such as loss of a spouse, which could have created psychological vulnerability. They were also more apt to listen to financial sales pitches from strangers, to attend free investment seminars, and to act upon junk mail advertisements. They were also less likely to report being scammed (NASD, 2006, p. 5-7).

One note about the "free lunch" seminars: a recent Financial Industry Regulatory Authority (FINRA) study showed that 12% of such seminars involved fraud by way of overstated projections and non-existent products (FINRA, 2009).

Risk factors for scams that involved life, health, and funeral insurance included concern over having the funds to pay for needed medical care or a proper burial or to bequeath to loved ones upon death (Bruce, 2008). Fraudulent business opportunities are more scams that target seniors. Risk factors for included being male with some college education, earning $50,000 or more per year, and "taking more preventive actions" (Pak & Shadel, 2011, p. 3-4).

Lotteries and "prizes and sweepstakes" scams are also targeted to the elderly. According to the AARP study, risk factors for lottery scams included being older, single, having little college education if any, and earning less than $50,000 per year. In addition, they were very responsive to persuasive tactics, often exposed themselves to sales situations, took fewer preventive actions, and appeared to be less knowledgeable about consumer protection tactics (Pak & Shadel, 2011, p. 3-4). The NASD study findings showed that lottery scam victims tended to be widows aged 75 or older who were less highly educated. They had also experienced more negative life events, were more willing to listen to pitches from strangers, and described themselves as being "very or extremely religious," perhaps suggesting that those with very strong belief systems or an overreliance upon chance or luck may be more vulnerable to lottery, prize, and sweepstakes fraud (NASD, 2006, p. 8).

Older people are increasingly using computers and the Internet for shopping, communicating, and obtaining information. "Members of older generations are using the Internet with increasing frequency, and many of them become prime targets of fraudulent schemes against which they have no method of self-defense because of limited knowledge and scarce resources" (Carlson, 2006, p. 2). Using the Internet for shopping and social networking is a risk factor for fraud in elderly people, especially credit card fraud (Reisig, et al., 2009, p. 371). "The Federal Trade Commission reported that in 2004, elders who filed complaints about Internet fraud each lost an average of $1,280 to individuals and businesses operating Internet scams" (MMI, 2009, p. 16). Risk factors for Internet scams against seniors, then, includes having limited knowledge about how swindlers use the Internet to lure victims, or being ignorant of how to prevent it. One article suggested that placing too much detail in social network postings such that a fraudster could use that information to easily impersonate a family member or friend, and not understanding or obtaining assistance with privacy settings that reduce the public availability of the personal information, increased the risk of these types of frauds (Sullivan, 2011). Seniors who are uninformed about using secure shopping sites, or are redirected from legitimate sites to fraudulent ones via phishing and spoofing, may find their credit cards were used for unauthorized purchases or from fraudulent websites, for example.

Another vulnerability for seniors was interest in prescription drugs, "cure-all" nutritional supplements, and medical equipment offered at a discount. Risk factors may include having the misfortune of being ill or simply vain, and being hopeful of alleviation or elimination of symptoms. Medical care is very expensive, especially if senior has a limited income. A serious problem is that sometimes these drugs are counterfeit; it is of particular danger because, "given this false hope, many seniors delay needed treatment," or they are completely ineffective, causing possibly serious deterioration in health (Bruce, 2008; FBI, n.d.). Other risk factors included being an older single female, having little if any college education, earning less than $50,000 per year, being less interested in persuasive statements, taking fewer prevention actions, and having less knowledge about consumer protection (Pak & Shadel, 2011, p. 3, 5).

Many seniors are interested in reverse mortgages, or home equity conversion mortgages (HECMs), which permit homeowners to draw money from the equity in their homes. They are available only if the homeowner is aged 62 or older. They have become a very popular option with seniors; such mortgages increased over 1,300% between 1999 and 2008, creating a large pool of potential victims for fraudsters who wish to pursue the equity funds (FBI, n.d.). Risk factors suggest that being a homeowner and a desire to increase wealth for sustained independence or leaving an inheritance to family members are risk factors.

In advanced fee loan scams, the victim is to receive a non-existent advance fee loan after wiring money to fraudsters. Risk factors included being somewhat more interested in persuasive language and earning less than $50,000 per year (Pak & Shadel, 2011, p. 3, 5).

A surprising risk factor that developed during the course of research was the identification of "super victims" and their traits; super victims are repeatedly approached by swindlers for the same scam presented in slightly different ways (Gray, 2009, p. 24). Financial crimes such as fraud tend to be repetitive: "the tendency for victims of financial crime to be re-victimized is so common in the fraudulent telemarketing community that "sucker" or "mooch" lists (lists of individuals who have been victimized in the past) are valuable commodities in and of themselves" (Nerenberg, 1999, p. 22). Further, fraudsters are often given light sentences, so even when convicted, they are free to re-offend after a relatively short period. Fallik agreed: "few enhanced penalties exist to punish the offender adequately or deter future violations of financial crimes or fraud against the elderly" (Fallik, 2011). Gray's article included an excerpt from *Fraud,* *Vulnerability, and Aging: Case Studies*, by Virginia H. Templeton and David N. Kirkman, which listed 18 traits and behaviors of super victims. Those that might be considered risk factors include being in their late 70s or older and living alone. Curiously, these seniors were usually aware that scammers target elderly people, and "victims might acknowledge being scammed in earlier incidents, yet succumb to a similar fraud later that same day" (Gray, 2009, p. 26). This is the reason behind "mooch lists;" swindlers know that previous victimization is a good indicator that they can swindle the senior yet again, and perhaps repeatedly. Two interesting facets to this phenomenon are that victims are generally aware of the scams and succumb to them anyway, and then succumb to similar scams again soon afterward. When reapproached by the fraudster, they may threaten to contact law enforcement about them, but rarely do so.

DISCUSSION/CONCLUSION

The content analysis supports the hypothesis that there are other risk factors for elder fraud aside from age-related diminished cognitive performance, social isolation, loneliness, and lack of education. They are also related to generation, socio-economic status, philosophies, psychology, social relationships, life events, and culture. In addition, the studies reviewed answered the exploratory questions posed earlier.

Discussion of Proposed Questions

With more seniors using computers and social networking and shopping sites on the Internet, there are more potential fraud victims: "the aging population of Baby Boomers tends to rely on computers twice as much as the current generation of older Americans" (Gray, 2009, p. 6). The research also confirmed that seniors are at somewhat of a disadvantage regarding Internet fraud: "As the newest demographic to venture into cyberspace, older adults are generally least educated about the dangers and intricacies of phishing and other fraudulent practices" (MMI, 2009, p. 16). Seniors "have yet to develop the necessary skepticism for the online world" (Sullivan, 2011). Sullivan quoted Chris Swecker, a consultant and former FBI agent who specialized in cyber crime:

> They are a vulnerable niche, the age that didn't grow up with the Internet... Sometimes the older generation has no idea how to protect themselves. For them, (using Facebook) is like giving the keys of a Ferrari to a 14-year-old (Sullivan, 2011).

The idea that age itself is a risk factor, however, is controversial. In a 1995 survey, people over aged 50 were less susceptible to "fraudulent sales techniques" (Titus & Gover, 2001, p. 142). Further, the most recent *Consumer Sentinel Network Databook* (2010) reported that adults aged 50-59, or 24%, were the largest segment of the population to report being victimized by swindlers, but those aged 60-69 and 70 and over comprised only 7% each of fraud complaints (FTC, 2011, p. 10). This was surprising, given data showing that the very old suffer from more cognitive difficulties than younger people and that they were more likely to fall victim to tele-marketing scams, for example. There may be a reason for this incongruity; the results for the 60 and over population may be inaccurate because older people tend not to report fraud victimiza-tion. The AARP study found that only 37% of victims aged 55 and older were willing to admit that they had been victims of fraud, as opposed to 56% of younger victims, and only 25% of those 55 and over had actually reported victimization to authorities, as opposed to 44% of their younger counterparts (AARP, 2011). The question of why seniors are negligent in reporting fraud victimization was answered in the research. Reasons included self-blame, embarrassment, "emotional or economic dependence on the abuser," fear of being separated from home or loved ones and of the criminal justice system, and ignorance of their rights and access to assistance (Curtis, 2006). Another study listed lack of confidence in the judicial system, fear of frozen assets during legal proceedings such that they could not access them, fear of perpetrator retalia-tion, incapacitation, and ignorance of the reporting process (Nerenberg, 1999, p. 10-11, 23). One reason could be lack of faith in, or frustration with, the criminal justice system. Schoepfer and Piquero noted that, just because a victimization is reported does not necessarily mean further action is taken" (Schoepfer & Piquero, 2009, p. 211). The MMI study listed distrust of government entities and avoidance of their involvement in their personal business; avoidance of public humiliation or incarceration for family members (in cases of financial exploitation); feeling responsible for their own victimization; not comprehending that what happened to them was a crime; believing that being scammed is just the cost of "doing business" or risk-taking; fear of losing their independent lifestyle; lack of faith in the criminal justice system or other assistance agencies; retaliation by the perpetrator(s); the belief that "resolution will come too late to be of any good; [and] the belief that pursuing the case in court will cost them even more money" (MMI, 2009, p. 21).

Socio-economic status appears to be a risk factor for elder fraud, applicable to both ends of the spectrum. Much of the money lies with elderly people who are considered to be financially well off; they tend to be more highly educated, as well. However, those who rely upon pensions and social security and have less education are also vulnerable, as most wish to make their circumstances more comfortable and have limited resources to accomplish those goals.

Culture was found to be another risk factor for fraud. "Attitudes about the legitimacy of a [financial or asset] transfer may reflect expectations within a given culture that elderly persons will share their resources with family members in need, while other cultures reject this notion (Bonnie & Wallace, 2002, p. 388). The MMI study noted that, while it would be unacceptable for the family of a Caucasian or African American elder to take money from a senior, it is very acceptable in Korean American culture (MMI, 2009, p. 11). In addition, culture plays a large role in affinity fraud: "Intergroup loyalty is an aspect that swindlers play upon, especially among people of color and ethnic minority groups." Further, "new immigrants may be particularly vulnerable; since new immigrants may be isolated from the larger community, their access to information is restricted" (Sendrow, 1999).

The research showed conflicting data on whether elderly people have more to fear from family members or trusted associates. This apparently depends upon whether a distinction is made between financial abuse or exploitation and fraud. The National Elder Mistreatment Study reported that "financial exploitation by family members [was] the most likely form of victimization" with risk factors listed as needing assistance with daily activities and being ill (Acierno, Hernandez, Amstadter, Resnick, Steve, Muzzy & Kilpatrick, 2010, p. 296). The MMI study agreed, reporting that family members, rather than strangers, were the biggest perpetrators of financial exploitation and abuse: "Approximately 60% of substantiated Adult Protective Services (APS) cases of financial abuse involve an adult child, compared to 47% for all other forms of abuse" (MMI, 2009, p. 12). Some use the terms interchangeably, blurring any lines of distinction. Gray explained that there are three categories of fraudsters: family members, professional caregivers, and close friends or others in positions of trust, such as neighbors, handymen, and investment advisors (Gray, 2009, p. 33). The MMI study listed typical perpetrators as "neighbors, apartment managers, home health aides, ministers, those with power of attorney, guardians ... contractors and handymen, phony financial planners, and professional con artists" (MMI, 2009, p. 16).

> In a review of NPAPSA/NCEA newsfeeds from April 2008 through June 2008, the media reported a total dollar value of elder financial abuse of approximately \$396,654,700, with the largest percentage of cases involving close associates of the victim—families, friends, caregivers and neighbors—as the perpetrator of the

> abuse, accounting collectively for almost 40% of reported cases. The largest single category included a variety of financial professionals, attorneys, and fiduciary agents (MMI, 2009, p. 12).

Further, data showed that the highest percentages of perpetrators were trusted professionals such as financial planners and attorneys at 18%, followed by family at 16.9%, non-agency caregivers at 10.9%, and agency caregivers at 9.3%. Both home repair and "sweetheart" scammers consisted of 5.6% of the perpetrators, followed by strangers at 5.3%, contractors at 4.5%, con men at 1.9%, and telephone scammers at 1.5% (MMI, 2009, p. 12). Johnson reported that "consumer fraud offenders are usually strangers to their victims" (Johnson, 2002, p. 18). Therefore, it appears that family members are the largest perpetrators of financial exploitation, and strangers are the largest perpetrators of other types of fraud. In any case, it is a violation of trust, no matter who the perpetrator is or claims to be: "The wolves are often those we least expect: a minister, a daughter, a next-door neighbor, a trusted caregiver" (Gray, 2009, p. 6).

Cohen and Felson's Routine Activity Theory certainly applies to the risk factors for elder fraud. This may be especially true for seniors who have no advisors to consult as they go about their daily lives (Vandecar-Burdon & Payne, 2010, p. 165). Further, capable guardians may be overcome by greed; seniors may be negligent in reporting fraud by family members or formerly trusted caregivers because they wish to protect the perpetrators from humiliation or incarceration, or cannot risk giving the impression that they can no longer make sound decisions or care for themselves.

Areas for Future Research

Elderly people are often pressured into making hasty decisions by stating that the "discount" or "special offer" is good for a very limited time. Perhaps this preys upon a fear that the senior may "miss out" on a substantial discount that they would be "foolish" not to pursue. Perhaps future research could focus on how the elderly think they are perceived by others and in what ways. For example, is it a common fear that they may be perceived as "slipping" cognitively if they turn down a "good deal" because it sounded too good to be true? Is that why they often succumb to aggressive persuasion tactics? A survey with these types of questions may be useful in 1) gauging any uncertainty in a variety of areas and 2) developing educational and intervention methods designed to counteract aggressive persuasion tactics. "Local and national fraud fighting campaigns can and do make a difference. Research conducted by the U.S. Department of Justice indicates that such interventions can reduce victimizations from fraud by 50% or more" (Titterington, 2010, p. 16).

The accuracy of future research would be greatly enhanced if more agencies regularly reported financial crimes against the elderly, and made it easier for seniors to report victimization, perhaps even anonymously, to save them any embarrassment. There is a paucity of recent information in this area; it would add to the existing body of knowledge and assist in raising awareness of elder fraud. Nerenberg noted that "some public agencies have not wanted to include financial abuse in mandatory reporting statutes for fear of discovering cases that they lack the resources to serve, ... [while] consumer advocacy organizations ... have the opposite incentive—to inflate incidence figures in order to justify demands for additional resources"

(Nerenberg, 1999, p. 23). Politics should be put aside in favor of making fraud easier to report, and reporting that data frequently, so that we can learn more of the vulnerabilities to elder fraud and determine how to best address this important social problem.

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